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ARDA International Foundation



Massachusetts

ECONOMIC IMPACT

2008 EDITION

*of the Timeshare Industry
on the Massachusetts Economy*

Prepared by:

PRICEWATERHOUSECOOPERS 

ECONOMIC IMPACT of the Timeshare Industry on the Massachusetts Economy

EXECUTIVE SUMMARY

In total, Massachusetts' timeshare business supports \$1.0 billion of spending, 8,700 full- and part-time jobs, \$385 million in salaries, wages, and related income, and \$196 million in tax revenues.

Introduction

Massachusetts' timeshare sector serves as an important economic driver, generating substantial investment in resort infrastructure, setting a base for stable, on-going economic benefits. Timeshare owners and their guests bring recurring sources of new spending to Massachusetts including spending at local businesses, expenditures on resort operations and maintenance, and payment of local taxes.

With an estimated 3,863 timeshare units located in Massachusetts, ranging in locations from beach to mountain/ski and even urban, the state garners a valuable share of the industry's economic impact. In total, Massachusetts has 46 timeshare resorts providing accommodations for a significant number of annual travelers. As a result, there is substantial interest in the healthy growth of the timeshare sector as a source of economic growth and security for Massachusetts' residents.

Total Impact

In total, the Massachusetts timeshare industry supported an estimated \$1.0 billion of consumer and business spending, 8,700 full- and part-time jobs, \$385 million in salaries, wages, and related income, and \$196 million in tax revenues in Massachusetts in 2007.

Visitor Spending

During 2007, 450,800 timeshare vacationers visited Massachusetts, with the typical traveling party of 3.0 people spending an average of \$1,599 per trip, yielding total estimated vacation spending of \$240 million. Timeshare owners reported making 85 percent of their trip expenditures at businesses that were not on-site at the resort.

On average, timeshare vacationers spent 7.3 nights in the resort area. This included 6.2 nights at timeshare resorts, and 1.1 nights at other types of accommodations, such as hotels.

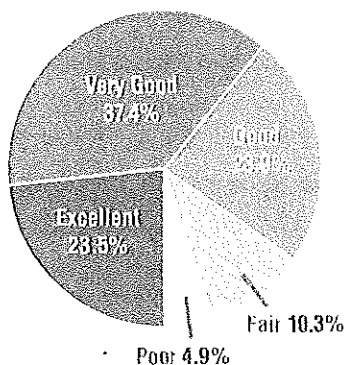
Timeshare Economic Impact
in Massachusetts, 2007

\$1.0 billion in spending
8,700 jobs
\$385 million in salaries, wages,
and related income
\$196 million in tax revenues

Timeshare Vacationers
Visitor Party Characteristics (2007)

Average size	3.0 people
Average length of stay	7.3 nights
Average spending per trip	\$1,599
Total trips	150,300
Total vacation spending	\$240 million

Overall Timeshare
Ownership Experience



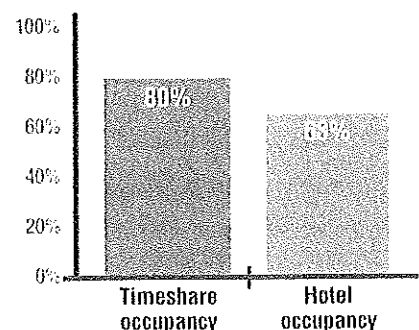
Eighty-five Percent
Owner Satisfaction*

The vast majority of U.S. timeshare owners are pleased with their timeshare, indicating high satisfaction levels. About 85 percent of owners rated their ownership experience as "Excellent", "Very Good" or "Good".

Timeshare Occupancy*

Average timeshare resort occupancy is 80 percent, much higher than the U.S. hotel occupancy of 63 percent.¹

Average Occupancy



¹ "Smith Travel Research Lodging Review" Smith Travel Research February 12, 2008.

* "Vacation Timeshare Owners Report: 2008 Edition" AIF October 2008.

Direct Impact

New and existing owners spent approximately \$251 million on purchases of new timeshare ownership interests, and contributed \$109 million for current resort operations and future maintenance and refurbishment of unit accommodations and resort facilities. Combined with their \$240 million in vacation spending, timeshare owners and guests generated \$600 million in direct timeshare related spending in Massachusetts.

The timeshare industry in Massachusetts directly supported 5,490 jobs — 3,020 in resort and timeshare company operations, 390 in construction, and 2,090 in jobs supporting timeshare vacationer activities such as at restaurants, retail outlets, and visitor attractions (total reflects rounding).

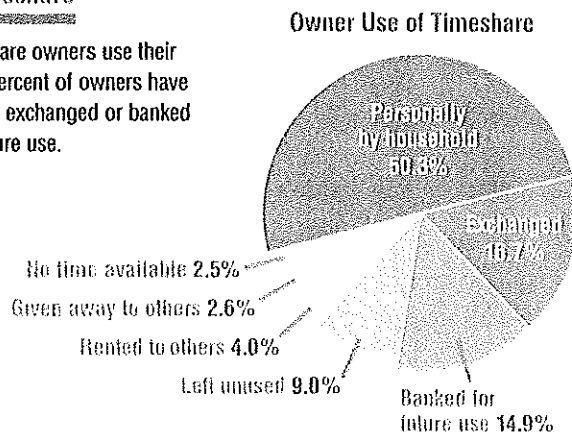
The incomes earned by the employees of Massachusetts timeshare businesses and the businesses patronized by timeshare vacationers are substantial, totaling \$223 million in salaries, wages, and related income. Of this, \$126 million was earned by employees at resort and timeshare company operations, \$22 million by resort construction employees, and \$75 million earned by people working at businesses patronized by timeshare vacationers.

Indirect Impact

Other sectors of the economy were indirectly impacted by the timeshare industry. For example, indirect impacts occurred as timeshare employees spent their disposable income, and as timeshare companies purchased goods and services from other businesses. Through such indirect impacts the Massachusetts timeshare industry supported an estimated \$443 million of purchases, 3,200 full- and part-time jobs, and \$162 million in salaries, wages and related income.

Owner Use of Timeshare*

The majority of timeshare owners use their timeshare. About 82 percent of owners have either personally used, exchanged or banked their timeshare for future use.



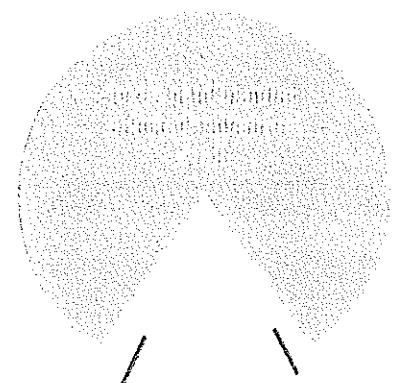
Tax Revenues

Timeshare in Massachusetts contributed \$196 million in tax revenues to the economy through property taxes, occupancy taxes, and employee personal and social insurance taxes.

Tax Revenues Paid by Timeshare Industry*
(2007, in millions)



Tax Revenues Paid by Timeshare Industry by Tax Type*
(2007, in millions)



\$29

\$8

* Figures have been rounded.

Timeshare units
38,717 units 47,413 units 61,485 units

The number of timeshare units increased 58.8 percent from 2002 to 2007

2002 2005 2007

Output
\$11.4 billion \$14.3 billion \$18.5 billion

Output increased 62.1 percent from 2002 to 2007

Indirect output
Direct output

2002 2005 2007

Employment
138,700 jobs 161,100 jobs 171,500 jobs

Employment increased 23.7 percent from 2002 to 2007

Indirect employment
Direct employment

2002 2005 2007

Salaries, wages and related income
\$4.2 billion \$5.4 billion \$6.6 billion

Salaries, wages and related income increased 55.4 percent from 2002 to 2007

Indirect salaries, wages and related income
Direct salaries, wages and related income

2002 2005 2007

Tax revenues
\$1.7 billion \$2.1 billion \$2.7 billion

Tax revenues increased 60.0 percent from 2002 to 2007

Tax revenues supported directly and indirectly by the timeshare industry

2002 2005 2007

Source: ARDA International Foundation and PricewaterhouseCoopers LLP

PricewaterhouseCoopers' detailed analysis of economic impacts, and the success of the study overall, was made possible by the active cooperation of timeshare enterprises, resorts, exchange companies, and a sample of the 450,800 timeshare travelers who visited Massachusetts in 2007. The response base in Massachusetts included resorts representing 1,597 units and survey responses from 229 households. PricewaterhouseCoopers analyzed the detailed survey information in a customized economic impact model to quantify the industry's economic contribution.



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